

# **Oversight Division**

**Committee On Legislative Research**

## **SUNSET REVIEW**

**Internet Cyber Crime Grant Program**  
**Section 650.120, RSMo**

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## Sunset Review

Internet Cyber Crime Grant Program  
Section 650.120, RSMo

*Prepared for the Committee on Legislative Research  
by the Oversight Division*

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## Committee on Legislative Research

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THE COMMITTEE ON LEGISLATIVE RESEARCH, Oversight Division, is an agency of the Missouri General Assembly as established in Chapter 23 of the Revised Statutes of Missouri. The programs and activities of the State of Missouri cost approximately \$24.0 billion annually. Each year the General Assembly enacts laws which add to, delete or change these programs. To meet the demands for more responsive and cost effective state government, legislators need to receive information regarding the status of the programs which they have created and the expenditure of funds which they have authorized. The work of the Oversight Division provides the General Assembly with a means to evaluate state agencies and state programs.

THE COMMITTEE ON LEGISLATIVE RESEARCH is a permanent joint committee of the Missouri General Assembly comprised of the chairman of the Senate Appropriations Committee and nine other members of the Senate and the chairman of the House Budget Committee and nine other members of the House of Representatives. The Senate members are appointed by the President Pro Tem of the Senate and the House members are appointed by the Speaker of the House of Representatives. No more than six members from the House and six members from the Senate may be of the same political party.

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#### Members of the General Assembly:

The Joint Committee on Legislative Research is required by Section 23.259 (1) (2) to conduct a performance evaluation of the Internet Cyber Crime Grant Program RSMo 650.120 to determine and evaluate program performance in accordance with program objectives, responsibilities, and duties as set forth by statute or regulation.

The report includes Oversight's comments on (1) the sunset, continuation, or reorganization of the program, and on the need for the performance of the functions of the program; (2) the duplication of program functions; (3) the appropriation levels for each program for which sunset or reorganization is recommended; and, if needed, (4) drafts of legislation necessary to carry out the committee's recommendations pursuant to (1) and (2) above.

We hope this information is helpful and can be used in a constructive manner for the betterment of the state program to which it relates. You may request a copy of the report from the Oversight Division by calling 751-4143.

Respectfully,

A handwritten signature in cursive script, reading "Thomas Flanigan".

Representative Tom Flanigan  
Chairman

## EXECUTIVE SUMMARY

The Internet Cyber Crime Grant Program (ICCG) was established in 2006 to help combat Internet sex crimes against children. The program is administered by the Department of Public Safety and provides grants to Missouri law enforcement to pay for detectives, computer forensic personnel as well as equipment used in the fight against child exploitation. The program is set to expire in August, 2012.

The ICCG was funded with General Revenue in state fiscal years 2007, 2008 and 2009. In state fiscal year 2010, Missouri stopped funding the ICCG program, and in its place started using federal stimulus funding through the American Recovery and Reinvestment Act to fund the Multi-Jurisdictional Cyber Crime Grant Program (MJCCG). The federal MJCCG program is very similar to the state ICCG program but includes more reporting requirements and the recipients of the grants must be multi-jurisdictional. The grant totals for both programs have averaged about \$1.4 million per year. Missouri has used federal stimulus funds for the MJCCG program for three years; however, DPS anticipates the federal funding used to run the MJCCG program will be depleted in June, 2012.

If the ICCG program sunset date is extended, Oversight has the following recommendations:

- Require the task forces under the ICCG program to be multi-jurisdictional, similar to the federal MJCCG program;
- require the task forces to submit Memorandums of Understanding that clearly identify all participating agencies and are signed by all agencies;
- Annual reporting requirements similar to that which is required by the federal government could be added to the state ICCG program;
- The local match requirement under the ICCG program could be changed from the current ten percent level;
- Currently, the statutes require \$3 million annually to be funded to the ICCG program; this requirement could be removed.

Three options are available to the General Assembly regarding the ICCG program. First, the program could be allowed to sunset in 2012. Second, the program could be extended for an additional twelve years (approximately until August 2024). Third, the program could be extended for a period of time less than the stated twelve years.

At the December 15, 2011 Joint Committee on Legislative Research quarterly meeting a motion was adopted stating “that while the committee feels the information in the report is factually accurate, the committee believes that the debate on sunsets in general, including those credits in this report specifically, should be continued in the General Assembly at large and this motion does not recommend extension or termination of any tax credit contained herein.”

# **Chapter 1**

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## **Purpose/Objectives**

The General Assembly has provided by law that the Joint Committee on Legislative Research will conduct a performance evaluation of a program subject to the Missouri Sunset Act. The committee shall consider the criteria as listed in Section 23.268, RSMo in determining whether a public need exists for the continuation of a program or for the performance of the functions of the program. A sunset review is the regular assessment of the continuing need for a state program to exist. A sunset review answers the basic questions of what has happened to this program since its inception and does the State of Missouri continue to “need” the services provided by the program.

The Joint Committee on Legislative Research directed the Oversight Division to conduct a Sunset Review of the Department of Public Safety Internet Cyber Crime Grant Program within Section 650.120, RSMo. The State of Missouri’s support of the program was established during the 2006 legislative session when CCS for SS for SCS for HCS for HB Nos. 1698, 1236, 995, 1362 & 1290, was Truly Agreed To and Finally Passed and signed by the Governor.

Oversight’s review addressed, but was not limited, the following:

1. Compiling all data related to the program since its inception.
2. Analysis of the events and changes to the program since its inception in 2006.

## **Scope**

The Oversight Division researched the laws regarding the “Internet Cyber Crime Grant Program” (ICCG) in Section 650.120, RSMo. Oversight also reviewed the ICCG grants during the period July 1, 2006 - June 30, 2009 (state fiscal years 2007 through 2009). For comparison, Oversight also reviewed the federal Multi-Jurisdictional Cyber Crime Grant (MJCCG) in state fiscal years 2009 through 2011.

## **Methodology**

The Oversight Division obtained information regarding the Internet Cyber Crime Grant (ICCG)/ Multi-Jurisdictional Cyber Crime Grant (MJCCG) programs through a review of the State of Missouri statutes, rules and regulations, organizational charts, annual reports, the truly agreed to and finally passed fiscal note, analyzing budget and actual expenditure information, grant application files, and correspondence with the Missouri Department of Public Safety (DPS) and cyber crime task forces. The Oversight Division also reviewed U.S. Department of Justice reports related to the Internet Crimes Against Children (ICAC) task force. Oversight interviewed DPS staff, conducted a survey of current ICCG/MJCCG grant recipients, and visited the cyber crime task force in Boone County.

## **Background**

### ***History of Section 650.120, RSMo***

The Internet Cyber Crimes Grant (ICCG) Program was established pursuant to CCS for SS for SCS for HCS for HB Nos. 1698, 1236, 995, 1362 & 1290 in 2006. Pursuant to this legislation, grants are to be used to pay the salaries of detective and computer forensic personnel and to provide funding for the training of law enforcement personnel. The focus is to combat Internet sex crimes against children, including but not limited to enticement of a child and possession or promotion of child pornography.

In 2007, the General Assembly passed SCS for HB 41, which modified certain provisions of section 650.120 to allow grants to be given to multi-jurisdictional enforcement groups investigating Internet sex crimes against children. In addition, provisions were modified to provide that no more than three percent of the money appropriated could be used by the department to pay the administrative costs of the program and that grants could be used to purchase necessary equipment, supplies, and services for the training of law enforcement personnel. Other new provisions added the power of arrest to members of a multi-jurisdictional task force while outside their jurisdiction but still working within the scope of the investigation.

In 2008, the Missouri Legislature passed SS for SCS for SB Nos. 714, 933, 899, & 758 as well as HCS for SB 932. Both bills provided for the creation of the Cyber Crime Investigation Fund within the state treasury. Beginning with fiscal year 2010 and each subsequent year, the General Assembly is to appropriate three million dollars to the Cyber Crime Investigation Fund to fund the program. The Department of Public Safety is to administer the fund. Also, grants now may also be used to pay prosecuting and circuit attorneys as well as their assistant prosecuting and circuit attorneys.



### ***Internet Cyber Crime Grant Program (ICCG)***

The Internet Cyber Crime Grant (ICCG) Program is administered by the Department of Public Safety (DPS), Office of the Director. ICCG was designed to provide a dedicated funding source to be used in the investigation of cyber crimes against children. As the use of technology among children continues to grow, including the use of the Internet, social media, blogs, and other sites, so has the number of individuals trying to commit crimes against children through these media.

Grants awarded through the ICCG Program are specifically for:

- Salaries of detectives and computer forensic personnel;
- Training of law enforcement and forensic personnel;
- Training of prosecuting and circuit attorneys, as well as their assistant prosecuting and circuit attorneys;
- Equipment directly related to preventing or combating cyber crime activities; and
- Supplies directly associated with operating a cyber crime task force and its activities.

When awarding grants, DPS gives priority to detectives and computer forensic personnel who have been effective in the past. Multi-jurisdictional Internet cyber crime law enforcement task forces and other law enforcement agencies participating in the grant program are to share information and cooperate with the highway patrol and with existing Internet Crimes Against Children task force programs.

The grant process begins with DPS posting an announcement on its website of an upcoming grant funding opportunity. Information on the website includes the contract period, anticipated available funding, eligibility requirements, reporting requirements, and the application deadline. After the application deadline closes, ICCG applications are reviewed by a panel of law enforcement personnel and others appointed by the ICCG director at DPS. Applications are reviewed for objectives, memorandums of understanding (MOUs) between participating law enforcement agencies, anticipated costs, and required documentation. Upon completion of the grant application review, each applicant is notified by letter regarding the approval or disapproval of the grant application as well as their grant award amount. In most cases, requested funding exceeds the available funding.

ICCG contracts are awarded to independently-recognized task forces through their respective city or county unit of government, or to local law enforcement agencies. The program provides a dedicated revenue source for local task forces to initiate new investigations, continue existing investigations, conduct forensic examinations on cell phones and computers, execute search warrants, and arrest people conducting these illegal activities. Due to the nature of investigations, many cases often lead to law enforcement agencies gaining knowledge related to other types of crimes being committed by the offender or leading to other offenders.

Not all applications submitted to DPS receive funding. During the 2008 ICCG application review period, five were denied; during the 2009 ICCG period, seven applications were denied. The denial letters and two Review and Evaluation Reports were reviewed for each denied

application. Some of the most common reasons for denial included: weak basis for cost estimates; weak history of agency; weak project implementation within the narrative; weak budget justification; incorrect applicant name on forms; supplanting issues; weak statement of problems within the narrative not supported by local statistics; goals and objectives not clearly stated or not measurable; and incorrect calculations.

Once the contract period begins, grantees are reimbursed by DPS for incurred expenses. The local task force must first submit monthly expense reports and supporting documentation for allowed expenditures. Expenditure reports are reviewed by DPS staff to verify the completeness, accuracy, and allowability of claimed expenses. At the end of the contract period, grantees are required to submit a final expenditure report to DPS. Also, during the contract period, a DPS representative conducts an on-site visit to review administrative and financial records as well as progress towards proposed objectives. After completion of the review, DPS notifies the task force whether they are in compliance with grant criteria and if improvements or corrections need to be made.

In addition to expenditure reporting requirements, each recipient is required to submit quarterly progress reports detailing the activities of the task force. Report activities include the number of investigations, case activity, forensic examinations completed, the number of arrests, warrants served, court activities, and the number of educational/training programs presented.

### ***Funding***

State funding of the ICCG program began in Fiscal Year 2007 and lasted for three years. The program was funded through the state's General Revenue Fund and expenditures in the program for those three years were:

- \$ 184,558 in FY 2007 (2007 ICCG);
- \$1,025,285 in FY 2008 (2008 ICCG); and
- \$1,357,748 in FY 2009 (2009 ICCG).

The number of recipients increased from eleven in FY 2007 to fifteen in both FY 2008 and FY 2009. For a detailed listing of recipients, the award amounts, the amount of reimbursement (grants) received and the amount of local match provided (at least a 10 percent match was required), see Table 1 as well as Appendices 4, 5 and 6.

In 2009, the American Recovery and Reinvestment Act (ARRA), commonly known as the federal stimulus program, was signed into law which provided additional funding to the Edward Byrne Memorial Justice Assistance Grant (JAG) for state and local law enforcement agencies. The State of Missouri received approximately \$25 million of ARRA funds to be appropriated by the General Assembly to DPS for use during state fiscal years 2010, 2011, and 2012. DPS allocated roughly \$4.5 million (about \$1.5 million per year) of the additional JAG funding to continue the Internet cyber crime investigations since the state's General Revenue funding of the ICCG program stopped. Effectively, a federal funded program replaced the state funded

program. DPS named the new program the Multi-Jurisdictional Cyber Crime Grant Program (MJCCG) to distinguish it from the ICCG. For the past three years, all Missouri cyber crime grants have been awarded under MJCCG program.

Federal funding of the MJCCG began in State Fiscal Year 2010 and will last through FY 2012. Expenditures/awards in the program for those three years are:

- \$1,407,009 of expenditures in FY 2010 (2009 MJCCG);
- \$1,419,768 of awards in FY 2011 (2010 MJCCG); and
- \$1,516,699 of awards in FY 2012 (2011 MJCCG).

According to DPS, final expenditure totals for the 2010 MJCCG awards are not yet available. The number of recipients increased from thirteen in the 2009 MJCCG to fourteen in both 2010 MJCCG and 2011 MJCCG. For a detailed listing of the task forces, the amount received and/or the amount awarded, see Table 1 as well as Appendices 1, 2 and 3. ARRA funding through JAG for MJCCG is anticipated to run out in June, 2012.

Table 1 - ICCG & MJCCG Funding

| Program Year | Program | Contract Period  | Grantees | Award       | Expenditure   | Funding Source  |
|--------------|---------|------------------|----------|-------------|---------------|-----------------|
| 2007         | ICCG    | 7/1/06 - 6/30/07 | 11       | \$242,388   | \$184,558*    | General Revenue |
| 2008         | ICCG    | 7/1/07 - 5/31/08 | 15       | \$1,208,527 | \$1,025,285*  | General Revenue |
| 2009         | ICCG    | 6/1/08 - 5/31/09 | 15       | \$1,455,398 | \$1,357,748*  | General Revenue |
| 2009**       | MJCCG   | 6/1/09 - 6/30/10 | 13       | \$1,499,597 | \$1,407,009   | ARRA            |
| 2010         | MJCCG   | 7/1/10 - 6/30/11 | 14       | \$1,419,768 | Not Available | ARRA            |
| 2011         | MJCCG   | 7/1/11 - 6/30/12 | 14       | \$1,516,699 | Not Complete  | ARRA            |

\* State expenditure only, does not include the local match

\*\* Note: ICCG refers to a program year by the year in which the contract period ended, while MJCCG refers to a program year by the year in which the contract period began.

Other sources of funding for the cyber crime task forces may include local governments and the Internet Crimes Against Children (ICAC) Task Force Program. The ICAC Task Force Program was authorized by federal act in 1998. It is a national network of 61 coordinated task forces

engaged in investigations, forensic examinations, and prosecutions related to Internet crimes against children. The ICAC task forces provide forensic and investigative technical assistance to law enforcement and prosecutorial officials, as well as community education information to parents, educators, prosecutors, law enforcement, and others concerned with child victimization. The MO ICAC Task Force (currently housed within the St. Charles County Sheriff's Department but was previously in the Glendale Police Department) has approximately 101 affiliates and regional task forces that work within the state of Missouri. Oversight's review determined that all current ICCG/MJCCG grantees are affiliated members of MO ICAC. MO ICAC provides affiliates and regional task forces with limited reimbursement for training, equipment, and salaries. Funding is based on the activity of regional task forces and their affiliates.

### ***ICCG / MJCCG Program Differences***

The ICCG and the MJCCG differ in several ways:

- MJCCG does not require a local match to support the task force;
- MJCCG requires task forces to be multi-jurisdictional with a signed memorandum of understanding or a letter of agreement between participating law enforcement agencies; and
- For MJCCG, an annual report is required by the Department of Justice summarizing various statistics such as arrests, number of cases, number of new cases, number of investigations, the types of investigations, types of crimes committed, officers assigned, and the number of prevention programs sponsored.

Table 2 - ICCG vs. MJCCG

| <b>Characteristic</b>                              | <b>ICCG</b> | <b>MJCCG</b>   |
|--|-------------|----------------|
| Local Match Required                               | Yes         | No             |
| Monitoring Reports                                 | Yes         | Yes            |
| Annual Report Required                             | No          | Yes            |
| Quarterly Performance Measurement Reports Required | No          | Yes            |
| Multi-Jurisdictional Required                      | No          | Yes            |
| Memorandum of Understanding (MOU) Required         | No          | Yes            |
| Funding Source                                     | State/Local | Federal (ARRA) |

## Chapter 2

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### Comments

#### *Survey of grant recipients*

Oversight distributed a survey to the task forces that are currently receiving MJCCG funding, asking the following questions:

1. What year was your task force established?;
2. Are the current funding levels provided through DPS adequate to effectively run the cyber crime task force? Did the task force receive other federal/state funding in the year ended June 30, 2011 (i.e. through MO ICAC)? If so please provide a breakout by source;
3. How will the task force continue to operate if the federal funding expires in June, 2012 and the state program sunsets in 2012?;
4. How many arrests can be directly attributed to the work of the task force during the previous state fiscal year (July 1, 2010 - June 30, 2011)? Has the task force been effective in combating cyber crime against children?; and
5. Are you satisfied with DPS' administration (application and award process, reimbursement process, monitoring) of the program? Please provide suggestions for improving the grant program if you have any (may be operational or legislative changes).

We received responses from nine of the fourteen task forces solicited. Some common themes that were projected through the responses include:

1. Most of the task forces that responded stated they commenced operations between 2007 and 2009.;
2. The current funding received through DPS is adequate to effectively operate the task force, but may not be enough to operate at a level envisioned or requested. If additional funding was available, more investigations could be conducted. Also, most receive a small amount of funding through the MO ICAC (less than \$15,000 annually). One respondent stated a portion of their funding came from asset forfeiture cases with the federal entities assigned to work with the unit, but this source of funding is not secure and could cease without warning.;
3. Without continuation of this funding, the task force will not be able to continue. Some of the work (investigations, training, etc.) could be continued individually by police departments and/or sheriff's offices working within their jurisdiction; however, many of the smaller agencies would not be able to afford to continue the efforts within their jurisdiction.;

4. Numerous arrests (task force responses of 22, 138, 30, 51, 22, 25, and “too many to count” were given) can be attributed to this program. Additionally, many forensic investigations have been conducted as well as many active cases that haven’t resulted in arrests yet. Often with prosecutions in other jurisdictions or by federal authorities, the task forces don’t learn that a suspect was arrested; therefore, the numbers provided are considered lower than the actual amount.
5. The respondents gave DPS high marks on the administration of the program and several had positive comments on the new Web Grants system utilized by DPS (i.e. “has expedited the grant process exponentially”).

Other thoughts expressed through the survey responses include:

6. One response stated grant funding should be expanded to allow existing task forces the ability to investigate other Internet related crimes such as financial scams. Not only children are being victimized by Internet criminals, but a large segment of Missouri’s citizens have become victims of Internet crime.
7. Another response suggested a new funding mechanism similar to one utilized in Virginia, where all individuals convicted of a crime involving child crimes and computer/media related incidents are assessed a fine at sentencing. The fine is placed in a fund for the purpose of funding forensic and investigative cyber units.
8. Another response suggested allowing task forces or agencies the ability to seek recoupment expenses from the perpetrator for costs associated with the investigations. The recoupment expenses could be sought after the suspects are convicted.

### ***Impact of cyber crime task forces***

Based on statistical information obtained from DPS’s annual reports and quarterly reports from grant recipients, Missouri cyber crime task forces had the following outcomes:

Table 3 - Measurements reported by MJCCG task forces

| Measurement   | FY 2008 | FY 2009 | FY 2010 |
|---|---------|---------|---------|
| Number of arrests made  | 199     | 264     | 256     |
| Number of cell phones examined                                    | 247     | 412     | 752     |
| Number of forensic labs (computers)                               | 1,074   | 1,664   | 2,356   |
| Number of search warrants served                                  | 250     | 341     | 405     |
| Computer crime prevention programs and presentations              | 455     | 318     | 325     |
| Attendees to computer crime prevention programs and presentations | 12,602  | 15,318  | 19,764  |

The above results should not be considered to have been the exclusive result of the grants. Task forces receive funding from a variety of sources including MO ICAC, as well as from their local political subdivisions and numerous agencies may have had a hand in the arrest of a perpetrator.

In a press release from MO ICAC in August, 2010, task forces in Missouri had the following distinctions:

- 1<sup>st</sup> in the nation for computer forensic examinations;
- 2<sup>nd</sup> in the nation for arrests; and
- 2<sup>nd</sup> in the nation for the number of personnel to attend training by task forces.

### ***Breakout of grant expenditures***

As stated earlier, the task forces can utilize the grants to pay for salaries of detective, computer forensic personnel, as well as the purchase of necessary equipment, supplies and services. In Table 4 below, Oversight broke out the annual expenditures reported by each task force into the various categories. The final expenditure reports for MJCCG 2010 (contract period ended June 30, 2011) were not yet available at the time of this report. Approximately seventy percent of the grant amounts were spent on salaries and fringe benefits of task force members.

Table 4 - ICCG / MJCCG Breakout of DPS Expenditures

| <b>Contract Year</b> | <b>Personnel</b>   | <b>Travel</b>     | <b>Equipment</b>  | <b>Supplies</b>   | <b>Total Expenditures</b> |
|----------------------|--------------------|-------------------|-------------------|-------------------|---------------------------|
| ICCG 2007            | \$ 142,728         | \$ 17,663         | \$ 0              | \$ 24,167         | \$ 184,558                |
| ICCG 2008            | \$ 693,593         | \$ 51,422         | \$ 221,923        | \$ 58,347         | \$ 1,025,285              |
| ICCG 2009            | \$ 968,882         | \$ 62,606         | \$ 174,195        | \$ 152,065        | \$ 1,357,748              |
| MJCCG 2009           | \$ 940,513         | \$ 61,869         | \$ 181,000        | \$ 223,627        | \$ 1,407,009              |
| <b>Total</b>         | <b>\$1,805,203</b> | <b>\$ 131,691</b> | <b>\$ 396,118</b> | <b>\$ 234,579</b> | <b>\$ 2,567,591</b>       |
| Percentage of Total  | 70%                | 5%                | 16%               | 9%                |                           |

### ***Cyber Crime Investigation Fund***

In 2008, the Missouri Legislature created the Cyber Crime Investigation Fund and placed in statutes (Section 650.120.1, RSMo) a requirement that the General Assembly must appropriate

\$3 million dollars annually to the fund, starting in FY 2010. The fund (number 912) has yet to be utilized and state General Revenue funding to the ICCG Program ended in FY 2009. Starting in FY 2010, Missouri began utilizing federal stimulus funding under ARRA for the cyber crimes investigation program and changed the name from ICCG to MJCCG. Funding levels have not met the stated requirement of \$3 million dollars since this language was placed in statute, regardless of the funding source.

### ***Two Missouri state agencies as task forces***

Two state agencies are considered task forces and have received funding through DPS for cyber crimes against children investigations. The Department of Social Services' State Technical Assistance Team (STAT) and the Missouri Highway Patrol's Computer Forensic Unit (CFU) have each received grants through the ICCG and MJCCG programs. The average annual expenditure/award total for STAT through these programs has been \$74,402, while the average for CFU has been \$32,574. STAT has received funding through the programs since the 2007 ICCG and CFU has received grant funding since the 2008 ICCG.

### ***Review Panel***

A panel was established in statute to review and award grant applications under the ICCG program. The panel was comprised of the Director of the Department of Public Safety; two members each from lists (of six each) submitted from the Missouri Police Chiefs Association, the Missouri Sheriffs' Association, and the Missouri State Troopers Association, a member of the House of Representatives appointed by the Speaker, and a member of the Senate appointed by the President Pro Tem. The review panel held meetings in the first year of the ICCG program and determined the distribution of grant monies. After the first year of the ICCG program, DPS approached the panel requesting permission to organize and conduct the grant application review process and submit the results to the panel for their approval. The panel agreed and since then ICCG and MJCCG grant applications have been reviewed by a group appointed by DPS.



## Chapter 3

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### Recommendations

#### *Multi-jurisdictional task forces*

Under the federal MJCCG Program, the grant recipients must be multi-jurisdictional and have a signed Memorandum of Understanding between all the agencies participating in the task force. This is different from the state's ICCG Program. Subsection 650.120.2, RSMo states "The department of public safety shall create a program to distribute grants to multijurisdictional Internet cyber crime law enforcement task forces, multijurisdictional enforcement groups, as defined in 195.503, that are investigating Internet sex crimes against children, and other law enforcement agencies." DPS has interpreted this sentence, in particular the last five words, to mean that under the ICCG Program, single law enforcement agencies can participate in the program and that multijurisdiction is not a requirement. Oversight is unsure if the intent of the General Assembly was to limit the distribution of the grants to only multi-jurisdictional task forces, but if it was and if the program sunset is extended, Oversight would recommend changing this sentence to more clearly define who is eligible to participate in the program. Oversight assumes a multi-jurisdictional requirement for all task forces would promote increased cooperation, sharing of information, and a better use of resources to continue the present practice under MJCCG

#### *Memorandums of Understanding (MOUs)*

Currently, the statutes do not require MOUs to be drafted and signed by all participating law enforcement agencies within ICCG task forces. However, DPS stated the U.S. Department of Justice requires current MOUs to be submitted with each grant application and be on file with DPS under the MJCCG Program.

Oversight reviewed grant files from the 2007 ICCG, 2008 ICCG, 2009 ICCG and 2009 MJCCG grant cycles. Oversight found not all ICCG/MJCCG grant application files contained an MOU. In 2007 there were no MOUs within the cyber crime task forces, in 2008 and 2009 approximately half of accepted grant applications had an MOU from the participating law enforcement agencies; however, this was not required by statute. Some of the submitted MOUs lacked the required signatures and/or other information identifying which agencies were part of the agreement.

If the ICCG Program is extended, Oversight recommends all multi-jurisdictional cyber crime task forces be required to submit signed MOUs clearly identifying each participating agency. In addition, MOUs should be dated and have titles and signatures of the authorized law enforcement officers or agents.

### ***Annual Reporting***

Under the MJCCG Program, DPS is required to submit an annual report to the U.S. Department of Justice regarding the outcomes of the task forces. There is currently no such requirement in Section 650.120, RSMo for the ICCG Program.

Oversight recommends Section 650.120, RSMo be amended to include annual reporting requirements pertaining to ICCG task force expenditures and outcomes. Oversight further recommends the statute be amended to require submission of the report to the General Assembly and be made available to the public via the department website.

### ***Local Match Requirement***

Section 650.120(4) provides, "Local matching amounts, which may include new or existing funds or in-kind resources including but not limited to equipment or personnel, are required for multi-jurisdictional Internet cyber crime law enforcement task forces and other law enforcement agencies to receive grants awarded by the panel. Such amounts shall be determined by the state appropriations process or by the panel." For ICCG grant years 2007 - 2009, DPS required cyber crime task forces to provide a 10% local match to support the grant monies. Under the MJCCG Program, cyber crime task forces were not required to provide local matching funds.

Oversight supports the local match provisions in Section 650.120.4, RSMo. The General Assembly or DPS may consider increasing the local match required as a means of funding cyber crime task forces with reduced General Revenue obligations. Also, the General Assembly may consider removing the in-kind allowance for local match requirements.

### ***Cyber Crime Investigation Fund***

As stated earlier, in 2008, the Missouri Legislature provided for the creation of the Cyber Crime Investigation Fund within the state treasury. Beginning with fiscal year 2010 and each subsequent year, the General Assembly is to appropriate \$3 million dollars to the Cyber Crime Investigation Fund. State appropriations have not met this statutory requirement, as no General Revenue funds were appropriated in FYs 2010, 2011, or 2012. Federal stimulus funds were used in lieu of state General Revenue to fund cyber crimes task forces in those years at a rate of roughly \$1.5 million per year.

Oversight recommends Section 650.120, RSMo be amended to remove the requirement to appropriate \$3 million.

### ***Program Continuation***

Possible options available to the Missouri General Assembly include letting the program expire or extending the sunset of the program:

- First, the General Assembly could allow the program to expire in August, 2012 by taking no further action regarding this program. The state has not expended General Revenue appropriations on this program since FY 2009; therefore, there would not be a realized savings to General Revenue from this option.
- Second, the General Assembly can extend the sunset up to an additional twelve years (approximately until August 2024).
- Third, the General Assembly could extend the program for a period of time less than the stated twelve years.

At the December 15, 2011 Joint Committee on Legislative Research quarterly meeting a motion was adopted stating “that while the committee feels the information in the report is factually accurate, the committee believes that the debate on sunsets in general, including those credits in this report specifically, should be continued in the General Assembly at large and this motion does not recommend extension or termination of any tax credit contained herein.”

Appendix 1 - 2011 MJCCG Task Forces - 7/11/11 - 6/30/12

|    | <b>Task Force</b>                               | <b>Project Title</b>  | <b>Requested Funding</b> | <b>Award</b>       |
|----|---|---|--------------------------|--------------------|
| 1  | Boone County, Cyber Task Force                  | Boone County Sheriff's Department Cyber Crimes Task Force                     | \$204,378                | \$152,305          |
| 2  | Clayton, RCCEEG                                 | Regional Computer Crime Education & Enforcement Group                         | \$139,655                | \$138,802          |
| 3  | Dent County, Cyber Task Force                   | South Central Missouri Computer Crime Task Force                              | \$44,186                 | \$44,186           |
| 4  | Independence, Cyber Unit                        | Northeastern Jackson County Cyber Crimes Working Group Against Internet Crime | \$138,851                | \$121,092          |
| 5  | Joplin, Cyber Task Force                        | Southwestern Missouri Cyber Crime Task Force                                  | \$177,586                | \$177,182          |
| 6  | Kirksville, Cyber Task Force                    | Kirksville Regional Computer Crimes Unit                                      | \$59,742                 | \$59,742           |
| 7  | Missouri Department of Social Services, STAT    | Operation Cyber-Safe  | \$97,362                 | \$84,512           |
| 8  | Missouri State Highway Patrol, Cyber Crime Unit | Computer Forensic Unit  | \$42,057                 | \$31,989           |
| 9  | Platte County, PCMEG                            | Western Missouri Cyber Crimes Task Force                                      | \$423,006                | \$202,677          |
| 10 | Poplar Bluff, SEMO Cyber Unit                   | SEMO Cyber Crimes Task Force  | \$129,215                | \$105,206          |
| 11 | Springfield, Cyber Crime Task Force             | 2012 Internet Cyber Crime Initiative  | \$237,582                | \$73,748           |
| 12 | St Charles County, Cyber Task Force             | St. Charles County Internet Crimes Against Children                           | \$191,584                | \$190,864          |
| 13 | St. Louis County, Cyber Task Force              | 2011 MJCCG - Special Investigations Personnel Upgrade                         | \$181,622                | \$63,746           |
| 14 | Stone County, Tri-Lakes Cyber Task Force        | Tri-Lakes Regional Internet Crimes Task Force                                 | \$93,490                 | \$70,646           |
|    | <b>Total Funding</b>                            |   | <b>\$2,160,318</b>       | <b>\$1,516,698</b> |

Source: Department of Public Safety

Appendix 2 - 2010 MJCCG Task Forces - 7/1/10 - 6/30/11

|    | Task Force                                  | Project Title   | DPS Award          | Expenditures<br>*** |
|----|---|---|--------------------|---------------------|
| 1  | Boone County                                | Boone County Sheriff's Department<br>Cyber Crimes Task Force                        | \$173,300          |                     |
| 2  | Clayton                                     | Regional Computer Crime Education &<br>Enforcement Group                            | \$138,660          |                     |
| 3  | Dent County                                 | South Central Missouri Computer<br>Crime Task Force                                 | \$11,382           | \$10,625            |
| 4  | Independence                                | Northeastern Jackson County Cyber<br>Crimes Working Group Against<br>Internet Crime | \$137,799          |                     |
| 5  | Joplin                                      | Southwestern Missouri Cyber Crime<br>Task Force                                     | \$176,885          |                     |
| 6  | Kirksville                                  | Kirksville Regional Computer Crimes<br>Unit   | \$55,252           |                     |
| 7  | MO. Department of<br>Social Services - STAT | Operation Cyber-Safe  | \$85,444           |                     |
| 8  | Platte County                               | Western Missouri Cyber Crimes Task<br>Force   | \$205,711          |                     |
| 9  | Poplar Bluff                                | SEMO Cyber Crimes Task Force  | \$40,446           | \$32,960            |
| 10 | Springfield                                 | 2011 Internet Cyber Crime Initiative  | \$111,769          | \$106,478           |
| 11 | St. Charles County                          | St. Charles County Internet Crimes<br>Against Children                              | \$131,833          |                     |
| 12 | St. Louis County                            | St. Louis County Special Investigations<br>Unit                                     | \$68,539           |                     |
| 13 | State of Missouri -<br>Highway Patrol       | Computer Forensic Unit  | \$16,030           |                     |
| 14 | Taney County                                | Tri-Lakes Regional Internet Crimes<br>Task Force                                    | \$66,718           |                     |
|    | <b>Total</b>                                |   | <b>\$1,419,768</b> |                     |

Source: Department of Public Safety

**\*\*\* Most of the 2010 MJCCG expenditure information is not yet available, Per DPS**

Appendix 3 - 2009 MJCCG Task Forces - 6/1/09 - 6/30/10

|    | <b>Task Force</b>                          | <b>Project Title</b>  | <b>DPS Award</b>   | <b>Expenditures</b> |
|----|--|---|--------------------|---------------------|
| 1  | Boone County                               | Boone County Sheriff's<br>Department Cyber Crimes Task<br>Force                     | \$194,479          | \$183,145           |
| 2  | Clayton                                    | Regional Computer Crime<br>Education & Enforcement Group                            | \$178,271          | \$178,271           |
| 3  | Dent County                                | South Central Missouri Computer<br>Crime Task Force                                 | \$5,739            | \$5,737             |
| 4  | Independence                               | Northeastern Jackson County Cyber<br>Crimes Working Group Against<br>Internet Crime | \$138,067          | \$126,593           |
| 5  | Joplin                                     | Southwestern Missouri Cyber<br>Crime Task Force                                     | \$182,320          | \$178,225           |
| 6  | Kirksville                                 | Kirksville Regional Computer<br>Crimes Unit   | \$49,036           | \$48,229            |
| 7  | MO Department of Social<br>Services - STAT | Operation Cyber-Safe  | \$97,412           | \$97,412            |
| 8  | Platte County                              | Western Missouri Cyber Crimes<br>Task Force   | \$208,592          | \$204,215           |
| 9  | Poplar Bluff                               | SEMO Cyber Crimes Task Force  | \$62,894           | \$48,752            |
| 10 | Springfield                                | 2010 Internet Cyber Crime<br>Initiative   | \$82,323           | \$69,980            |
| 11 | St. Charles County                         | St. Charles County Internet Crimes<br>Against Children                              | \$128,601          | \$107,079           |
| 12 | State of Missouri -<br>Highway Patrol      | Computer Forensic Unit  | \$56,246           | \$53,299            |
| 13 | Taney County                               | Tri-Lakes Regional Internet Crimes<br>Task Force                                    | \$115,618          | \$106,072           |
|    | <b>Total</b>                               |   | <b>\$1,499,596</b> | <b>\$1,407,010</b>  |

Source: Department of Public Safety

Appendix 4 - 2009 ICCG Task Forces - 6/1/08 - 5/31/09

|    | <b>Task Force</b>                       | <b>DPS Award</b>   | <b>Expenditures</b> | <b>Local Expenditures</b> | <b>Total Expenditures</b> |
|----|---|--------------------|---------------------|---------------------------|---------------------------|
| 1  | Boone County                            | \$146,977          | \$144,896           | \$48,943                  | \$193,839                 |
| 2  | Clayton                                 | \$176,915          | \$176,906           | \$19,656                  | \$196,562                 |
| 3  | Dent County                             | \$19,179           | \$19,105            | \$2,297                   | \$21,402                  |
| 4  | Independence                            | \$21,914           | \$21,913            | \$2,435                   | \$24,348                  |
| 5  | Joplin                                  | \$79,535           | \$77,138            | \$8,571                   | \$85,709                  |
| 6  | Kirkville                               | \$72,114           | \$71,627            | \$16,054                  | \$87,681                  |
| 7  | Maryland Heights                        | \$45,846           | \$11,430            | \$1,272                   | \$12,702                  |
| 8  | MO Department of Social Services - STAT | \$82,530           | \$77,757            | \$8,640                   | \$86,397                  |
| 9  | Platte County                           | \$261,230          | \$257,929           | \$34,122                  | \$292,051                 |
| 10 | Poplar Bluff                            | \$145,523          | \$128,018           | \$33,196                  | \$161,214                 |
| 11 | Springfield                             | \$40,596           | \$35,663            | \$3,963                   | \$39,626                  |
| 12 | St. Charles County                      | \$125,009          | \$120,719           | \$55,989                  | \$176,708                 |
| 13 | St. Louis County                        | \$88,685           | \$88,685            | \$63,822                  | \$152,507                 |
| 14 | State of Missouri - Highway Patrol      | \$31,694           | \$31,229            | \$5,893                   | \$37,122                  |
| 15 | Taney County                            | \$72,606           | \$65,990            | \$27,599                  | \$93,589                  |
|    | Department of Public Safety (Admin)     | \$45,036           | \$28,740 (2.1%)     | \$0                       | \$28,740                  |
|    | <b>Total</b>                            | <b>\$1,455,397</b> | <b>\$1,357,748</b>  | <b>\$332,451</b>          | <b>\$1,690,199</b>        |

Source: Department of Public Safety

Appendix 5 - 2008 ICCG Task Forces - 7/1/07 - 5/31/08

|    | Task Force                          | DPS Award          | Expenditures       | Local Expenditures | Total Expenditures |
|----|-------------------------------------|--------------------|--------------------|--------------------|--------------------|
| 1  | Boone County                        | \$146,998          | \$121,050          | \$44,927           | \$165,977          |
| 2  | Cassville                           | \$12,937           | \$10,772           | \$1,197            | \$11,969           |
| 3  | Clayton                             | \$176,915          | \$176,915          | \$19,970           | \$196,885          |
| 4  | Independence                        | \$21,007           | \$20,582           | \$2,287            | \$22,868           |
| 5  | Kirksville                          | \$26,686           | \$22,351           | \$2,483            | \$24,835           |
| 6  | Lees Summit                         | \$39,100           | \$0                | \$0                | \$0                |
| 7  | Maryland Heights                    | \$45,670           | \$22,029           | \$2,448            | \$24,477           |
| 8  | MO Dept. of Social Services - STAT  | \$82,531           | \$72,047           | \$8,005            | \$80,052           |
| 9  | Platte County                       | \$261,066          | \$215,362          | \$23,929           | \$239,291          |
| 10 | Poplar Bluff                        | \$48,681           | \$47,210           | \$5,246            | \$52,456           |
| 11 | Scott County                        | \$22,440           | \$22,087           | \$2,454            | \$24,541           |
| 12 | Springfield                         | \$43,303           | \$39,766           | \$4,419            | \$44,185           |
| 13 | St. Charles County                  | \$125,011          | \$121,886          | \$49,250           | \$171,136          |
| 14 | St. Louis County                    | \$87,837           | \$87,837           | \$65,158           | \$152,995          |
| 15 | State Highway Patrol                | \$30,846           | \$30,321           | \$4,366            | \$34,687           |
|    | Department of Public Safety (Admin) | \$37,500           | \$15,070 (1.5%)    | \$0                | \$15,070           |
|    | <b>Total</b>                        | <b>\$1,208,526</b> | <b>\$1,025,285</b> | <b>\$236,139</b>   | <b>\$1,261,424</b> |

Source: Department of Public Safety



Appendix 6 - 2007 ICCG Task Forces - 7/1/06 - 6/30/07

|    | <b>Task Force</b>                  | <b>DPS Award</b> | <b>Expenditures</b> | <b>Local Expenditures</b> | <b>Total Expenditures</b> |
|----|------------------------------------|------------------|---------------------|---------------------------|---------------------------|
| 1  | Boone County                       | \$31,026         | \$26,750            | \$2,972                   | \$29,722                  |
| 2  | Cassville                          | \$5,277          | \$700               | \$78                      | \$778                     |
| 3  | Clayton                            | \$15,995         | \$15,371            | \$1,708                   | \$17,079                  |
| 4  | Independence                       | \$12,686         | \$5,250             | \$583                     | \$5,833                   |
| 5  | Jasper County                      | \$1,370          | \$1,370             | \$152                     | \$1,522                   |
| 6  | Kirksville                         | \$17,571         | \$16,608            | \$1,845                   | \$18,453                  |
| 7  | Lees Summit                        | \$20,288         | \$15,574            | \$1,730                   | \$17,304                  |
| 8  | Maryland Heights                   | \$9,000          | \$8,980             | \$998                     | \$9,978                   |
| 9  | MO Dept. Of Social Services - STAT | \$31,060         | \$29,239            | \$3,249                   | \$32,488                  |
| 10 | Platte County                      | \$70,632         | \$50,836            | \$5,648                   | \$56,485                  |
| 11 | Scott County                       | \$27,483         | \$13,881            | \$1,542                   | \$15,423                  |
|    | <b>Total</b>                       | <b>\$242,388</b> | <b>\$184,558</b>    | <b>\$20,507</b>           | <b>\$205,065</b>          |

Source: Department of Public Safety

## Appendix 7 - Areas covered by the 2011 MJCCG Task Forces

|    | Task Forces   | Covered areas   |
|----|---|---|
| 1  | Boone County - Boone County Sheriff's Department Cyber Crimes Task Force                            | Audrain, Boone, Callaway, Cole, Cooper, Howard and Randolph Counties  |
| 2  | Clayton - Regional Computer Crimes Education & Enforcement Group                                    | St. Louis City, St. Louis, Franklin and Jefferson Counties  |
| 3  | Dent County - South Central Missouri Computer Crime Task Force                                      | Dent, Crawford, Iron, Phelps, Pulaski, Reynolds, Shannon, Texas and Washington Counties   |
| 4  | Independence - NE Jackson County Cyber Crimes Working Group   | Cities of Independence, Buckner and Sugar Creek   |
| 5  | Joplin - Southwestern Missouri Cyber Crime Task Force   | Barry, Barton, Dade, Cedar, Jasper, Lawrence, McDonald, Newton, Polk and Vernon Counties  |
| 6  | Kirkville - Kirkville Regional Computer Crimes Unit   | Adair, Clark, Chariton, Knox, Lewis, Linn, Macon, Monroe, Putnam, Schulyer, Scotland, Shelby and Sullivan Counties  |
| 7  | Missouri Department of Social Services, Operation Cyber-Safe (STAT)                                 | Statewide   |
| 8  | Missouri State Highway Patrol, Computer Forensics Unit (CFU)  | Statewide   |
| 9  | Platte County - Western Missouri Cyber Crimes Task Force  | Andrew, Atchison, Bates, Buchanan, Caldwell, Carroll, Cass, Clay, Clinton, Daviess, DeKalb, Gentry, Grundy, Harrison, Henry, Holt, Jackson, Johnson, Lafayette, Livingston, Mercer, Nodaway, Pettis, Platte, Ray, Saline and Worth Counties |
| 10 | Poplar Bluff - Southeast Missouri (SEMO) Cyber Crimes Task Force                                    | Bollinger, Butler, Carter, Cape Girardeau, Dunklin, Madison, Mississippi, New Madrid, Oregon, Pemiscot, Perry, Ripley, Scott, St. Francois, Stoddard and Wayne Counties   |
| 11 | Springfield - 2012 Internet Cyber Crime Initiative  | Cities of Springfield and Republic  |
| 12 | St. Charles County - St. Charles County Internet Crimes Against Children                            | Lincoln, Marion, Montgomery, Pike, Ralls, St. Charles and Warren Counties   |
| 13 | St. Louis County - Special Investigations Unit Personnel Upgrade                                    | St. Louis County and the City of Pacific (in Franklin County)   |
| 14 | Stone County - Tri-Lakes Regional Internet Crimes Task Force  | Christian, Stone, Taney, Dallas, Douglas, Howell, Laclede, Ozark, Webster and Wright Counties   |
|    | Not specifically part of a task force (although could still utilize the state's STAT and CFU units) | St. Clair, Benton, Hickory, Morgan, Camden, Moniteau, Miller, Osage, Maries, Gasconade, Ste Genevieve Counties and parts of Greene County   |